

S E C R E T9th January, 1958.COCOM Document Sub-C (58) 1COORDINATING COMMITTEEREPORT BY THE CHAIRMAN OF THE SUB-COMMITTEE ON LISTSONITEMS 1305, 1072 AND 10888th January, 1958

References: Item 1305: COCOM Documents Nos. 2463, 2552, 2626, 2679, 2703, 2780 and 2825.

Item 1072: COCOM Documents Nos. 2346, 2383, 2402, 2763, 2710.00/1, 2 and 3.

Item 1088: COCOM Documents Nos. 2507, 2763, 2710.00/1, 2, 3 and 4.

Present:

Chairman: Mr. Rinden (United States)

Belgium (Luxembourg)

M. Vaisière
M. Leboule
M. Dugaquier Sr.
M. Dugaquier Jr.

France

M. Varnoux
M. Meslier
Mlle. Boussac

Germany

Mr. Campbell
Mr. Behlen
Dr. Mincker

Italy

M. Garusti

Japan

Mr. Mitsui
Mr. Yanagiya

Netherlands

Mr. Tienonsma

United Kingdom

Mr. Cazalet
Mr. Grainger

United States

Miss Hanes
Colonel Green
Mr. Ramsden
Mr. Sheaffer

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1. In accordance with instructions received from the Coordinating Committee in December 1957, Items 1305, 1072 and 1088 were considered by the Sub-Committee on Lists in the course of two meetings on the 8th January 1958. The Sub-Committee agreed that these discussions were of a preparatory nature and that their outcome would not in any way prejudice the general review of the International Lists which might be undertaken in February; any change of definitions recommended by the Sub-Committee would be in the nature of interim adjustments.

ITEM 1305 - ROLLING MILLS

2. In the course of 1957 a number of proposals to redefine this item were submitted to the Coordinating Committee: COCOM Documents Nos. 2463 (United Kingdom Delegation), 2552 (United Kingdom, superseding 2463), 2626 (Belgium), 2679 (Netherlands; United Kingdom), 2703 (France) and 2825 (Belgium). The Sub-Committee decided to base its work on the definition put forward by the United Kingdom Delegation in COCOM Document No. 2679, paragraph 4, as amended by the Belgian proposal in COCOM Document No. 2825, paragraph 6.

3. The UNITED KINGDOM Delegate stated that he could accept the Belgian amendment to his Delegation's proposal.

4. The GERMAN Delegate also accepted the United Kingdom text as modified in paragraph 6 of COCOM Document No. 2825 by the Belgian Delegation.

5. After certain queries had been put forward as to the possibility of stating the cut-off in h.p. per roll, the Sub-Committee agreed to maintain the criterion of h.p. per stand.

6. The BELGIAN Delegation thereupon proposed that the cut-off should be changed from 500 h.p. to 1,000 h.p. per stand.

7. The UNITED STATES Delegate pointed out that such a definition would exclude from control an extremely large number of mills in common use throughout the world, and producing a number of items used by military forces. The Delegate showed his colleagues photographs of a rolling mill recently put into operation in the United States. As it was driven by a 1,000 h.p. motor, this mill would be decontrolled if the 1,000 h.p. cut-off were accepted. Yet it was destined to produce this gauge metal essential to the United States Government in their defence effort.

8. The United States Delegate pointed out moreover that the Soviet Bloc had a critical scarcity in rolling mills: he produced figures indicating how far production lagged behind the quantities estimated in the fifth five-year plan. As rolling mills were produced in the same plants as other types of equipment, the rolling mills suffered from fierce competition. In the past the production of strip mills and smaller types of sheet mills had been particularly neglected in the Soviet Bloc; yet these would be released from control by the proposed new definition.

9. The GERMAN Delegate pointed out that the Sub-Committee's aim was to reach a definition safeguarding Free World security by continuing the embargo on very modern and very highly-developed rolling mills but releasing from control normal everyday types.

10. A lengthy discussion ensued, as a result of which the Sub-Committee agreed to recommend to the Coordinating Committee the definition set out below: the Netherlands and United States Delegates undertook to reply on the 10th January during the meeting of the Coordinating Committee. The German Delegation, who sponsored this text, pointed out that it was very far from

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what they hoped to reach in the course of the revision of this item scheduled to be carried out in the coming weeks.

- Item 1305 Metal rolling mills and specially designed components, accessories, equipment, motors, and controls therefor, as follows:
- (a) having the work rolls supported by multiple back up rolls or bearings;
 - (b) having multiple work rolls rotating in a planetary form around the back up rolls;
 - (c) sheet, strip and plate mills, except mills not more than 4-high, designed to be powered with motors not exceeding 500 h.p. per stand;
 - (d) all other types of metal rolling mills, except those designed to be powered with motors not exceeding 1,000 h.p. per stand.

ITEM 1072 - PRESSES, MECHANICAL OR HYDRAULIC

11. The Sub-Committee based its discussions on the new definition proposed by the Italian Delegation in COCOM Document No. 2710.00/1. It was noted that in the meetings of the Coordinating Committee this proposal had received considerable support, many Delegations having expressed a readiness to go even further than the degree of decontrol suggested by the Italian Delegation. The only Delegations who had not expressed views in the Coordinating Committee were those of Belgium, the Netherlands and the United States. These Delegations were invited to state their attitude.

12. The BELGIAN Delegate explained that, as this proposal had been put forward in the context of negotiations for a trade agreement with the Soviet Bloc, his Government had been averse to examining the case under Soviet pressure. At present, however, they were able not only to give their approval of the Italian redefinition proposal, but would be prepared to agree to a cut-off of 3,000 tons.

13. The NETHERLANDS Delegate stated that his Government also had considered at the outset that an unfortunate precedent would have been created if the Committee had appeared to be yielding to Soviet pressure in making a change in definition. On the technical aspect, the Delegate stated that he would now be glad to hear the views of the experts present.

14. The UNITED KINGDOM Delegate stated that this Delegation, who had already given their full support to the Italian proposal, could extend this support to the additional 500 tons added to the cut-off by the Belgian Delegate's proposal. They would regard this, however, as a first step towards the goal of decontrol.

15. The FRENCH Delegate stated that his Delegation too had given their full support to the Italian proposal and that, on the understanding that the whole question would be reviewed fully at an early date, they would be prepared to raise the cut-off to 3,000 tons although they would have preferred 5,000 tons.

16. The GERMAN Delegate stated that his Delegation had already given their support to the Italian proposal. They feared, however, that the cut-off proposed was too low: they considered that it should be 5,000 tons. As, however, it had been agreed that the Sub-Committee was only to suggest a preliminary and provisional change in the definition, his Delegation would be prepared to accept the figure of 3,000 tons subject to further discussion during the general review scheduled to take place during the coming weeks. From the technical point of view, they considered that all mechanical presses could be deleted from the International Lists as they involved no special know-how and as, in general, their pressures did not exceed 3,000 or 4,000 tons.

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As to hydraulic presses, the Delegate reminded the Sub-Committee that a hydraulic press of 30,000 tons which had been in Germany before the war had been dismantled and taken to Russia, thus affording to the Russians very considerable facilities for aircraft construction and similar work - facilities which possibly exceeded even those available in the United States.

17. The JAPANESE Delegate stated that his Delegation had already expressed their full support for the Italian proposal but considered the cut-off therein to be too low. They were prepared to accept the suggestion for a cut-off of 3,000 tons, although they would have preferred 5,000 tons.

18. The ITALIAN Delegate stated that he would agree to the figure of 3,000 tons as a first step.

19. The UNITED STATES Delegate expressed his authorities' concern as to the proposed raising of the cut-off. Discounting differences between the national economies of Western countries and Soviet Bloc countries to be ascribed, for instance, to Western production of such items as washing machines, refrigerators, cooking stoves and so on, and confining comparisons to the military field, it could be stated that during the 1933-54 period a shortage of presses had occurred in the United States where military requirements were concerned, for what could be considered a limited war. The Delegate gave figures as to purchases of various types of presses which had had to be made by the United States Army, Navy and Air Force in order to meet logistic demands. All these were of types which would be decontrolled under the suggested new definition. The Delegate also pointed out that the present definition controlled approximately 3.5% of the mechanical presses and 7.1% of the hydraulic presses used for direct military applications. The Delegate stated that almost all the presses used in the aircraft industry in the United States were below the present criterion of 1,000 tons, while only 3% of those used by a leading member of the automobile industry were over 1,000 tons. The firm in question had only one 3,000-ton press, which was used in the production of train components, such as steel bodies for streamlined trains. These figures were cited because it was assumed that the Soviet countries would make use of presses for approximately the same purposes as the United States. To raise the cut-off to 2,500, 3,000 or 5,000 tons would, in the opinion of the United States authorities, practically eliminate this particular item from control.

20. The GERMAN Delegate, supported by the United Kingdom, Italian and French Delegates, pointed out that the use of heavy presses was a European development. In the automobile industries of five or six of the participating countries, it was common practice to make use of 2,500-ton and 3,000-ton presses in the production of bodies for automobiles. In the United Kingdom and in Germany it was almost regarded as axiomatic that a 3,000-ton press was destined for the motor-car industry. The German Delegate gave figures indicating the proportion of heavy presses - from 4,500 tons up to over 15,000 tons - which were known to be located in Russia. The ITALIAN Delegate affirmed that 90% of 1,000-ton presses used for cold-rolling in Italy were in the automobile industry.

21. The CHAIRMAN noted that all Delegates were in favour of the cut-off of 3,000 tons, with the exception of the United States Delegate and the Netherlands Delegate. It was therefore agreed to recommend to the Coordinating Committee the definitions set out below, on the understanding that the Netherlands and United States Delegates would give their replies on the 10th January during the meeting of the Coordinating Committee.

Item 1072 Presses, mechanical or hydraulic, with rated pressures of over 3,000 tons.

Item 3072 Presses, mechanical or hydraulic, with rated pressures 3,000 tons or less.

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22. The Sub-Committee agreed to base its discussions on the new definition proposed by the United Kingdom Delegation in COCOM Document No. 2710.00/4, paragraph 8.
23. The UNITED KINGDOM Delegate proposed that in this text the figure of "36 inches" should be changed to read "900 mm".
24. The ITALIAN Delegate gave his support to the United Kingdom definition as amended.
25. The GERMAN Delegate also accepted the amended definition, which differed very little from that put forward by his own Delegation in COCOM Document No. 2710.00/3.
26. The JAPANESE Delegate stated that if unanimity were reached on the basis of either the German proposal or the United Kingdom proposal, he would refer it favourably to his Government.
27. The FRENCH Delegate stated that, in view of the German Delegate's acceptance of the United Kingdom definition, he would accept that definition as a temporary measure, without prejudice to the forthcoming discussions. The Delegate remarked that proof of the enormous production of these machines in the U.S.S.R. had been afforded during the recent negotiation of a Franco-Soviet Trade Agreement: the French Delegation had had very great difficulty in refusing to accept as counterpart large quantities of gear-grinding machinery, of which apparently the U.S.S.R. had a plethora.
28. The ITALIAN Delegate confirmed that the existence of a similar glut in Hungary had become evident when negotiations for the sale of motor-cars to that country had had to be abandoned because Hungary had insisted that 40% of the cars should be paid for in machine tools, including large quantities of gear-making machinery.
29. The BELGIAN Delegate's written statement of readiness to accept any proposal agreed to by the majority, was read by the Chairman.
30. The UNITED STATES Delegate explained that a high degree of technological knowledge was involved in the latest types of the machines which would be downgraded under the new proposal. Accuracy had been improved to a very high degree, particularly as concerned those machines used in the production of jet and other aircraft. For this reason the Delegate was not in favour of the proposed change in definition. He would, however, refer the new text to his Government and give their reply on the 10th January.
31. The CHAIRMAN concluded that the majority of the Sub-Committee were in favour of recommending to the Coordinating Committee the text set out below. It was understood that replies from the NETHERLANDS, UNITED STATES and JAPANESE Delegates would be given on the 10th January in the meeting of the Coordinating Committee.

Item 1088 Gear-grinding machines, generating type, of 900 mm. work diameter and above.

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